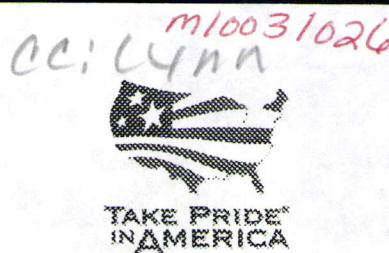




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake Field Office
2370 South 2300 West
Salt Lake City, Utah 84119
ph: (801) 977-4300; Fax: (801) 977-4397



In Reply Refer To:

3600

U-77761

UT-023

AUG 30 2006

Certified Mail - 7005 3110 0001 9359 4516

Return Receipt Requested

Mr. Lon Thomas
American Stone, Inc.
4040 South 300 West
Salt Lake City, UT 84107

Dear Mr. Thomas:

On January 11, 2006, we received your letter requesting an increase in the "permitted and bonded area" of your Rosebud #1 and #2 mining operation located in T. 10 N., R. 16 W., Section 14 from 7 to 20 acres. Your original Plan of Operations (Plan) was approved by this office on May 30, 2001 for 9.5 acres of surface disturbance. We will consider your request to be a Plan Amendment (Amendment), rather than a new Plan.

On January 17, 2006, we requested additional information from you to be able to consider your Amendment complete. On June 30, 2006, we received a portion of the information we requested, however the following additional information must be provided at your earliest convenience:

1. A detailed map must be provided for each quarry site, at an appropriate scale, which will show the proposed location of each quarry, associated waste pile(s), access road(s), drainage crossing(s), mine dump(s), proposed culverts, work area(s), equipment and pallet storage area(s), worker's trailers, fuel storage location, chemical toilet and topsoil stockpile areas. We suggest that your submitted map be prepared at a scale of 1 inch = 100 feet;
2. A detailed cross-section of each quarry which identifies the type of material that will occur beneath the surface (e.g., bedrock, waste rock, quarry, original undisturbed ground, fill, etc.). Although on your submitted Map 2B-1, you identify cross-sections A-B (Sage Green Quarry) and C-D (Park Valley White), you have only provided a single "cartoon" cross-section that represents both quarries and does not provide sufficient detail of each quarry for analysis. In addition, your cross-sections fail to include any vertical or horizontal scale for comparison purposes. Some of the text in the cross-sections you provided is barely visible or legible. It is not clear if text is missing or not. Please provide a cross-section of each quarry, which is clearly legible, is based on actual topography of each of the two project areas and shows the original (pre-mining) and post-mining surfaces as described above;

RECEIVED

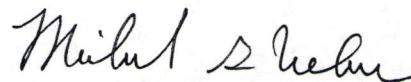
AUG 31 2006

DIV. OF OIL, GAS & MINING

3. The proposed perimeter of each of the new quarry areas must be marked on the ground using "tee" posts (fence posts) which will clearly identify each project boundary and will remain in place during the life of the mining operation. We suggest that "flagging" be placed atop each post so they can be easily identified in the field. Please notify this office when the perimeter of each project area has been appropriately marked;
4. Your reclamation estimate of \$54,380 for your expanded operation is inadequate. At the present time, the Utah Division of Oil, Gas and Mining retains a reclamation surety from you in the amount of \$68,700 for your existing 9.5 acre operation. Your proposal to expand the size of your operation by more than 2.5 times, yet reduce the size of your reclamation surety by more than \$14,000 is not feasible. Please provide an accurate estimate of the costs to fully reclaim your operations as required by 43 CFR 3809.552.

Please provide the requested information within 30 days of receipt of this letter or we will consider your Amendment to be withdrawn. If you have any questions, or require additional information, please contact Michael Ford of my staff at (801) 977-4360.

Sincerely,



David H. Murphy
Assistant Field Manager
Nonrenewable Resources

Cc: Ms. Susan M. White
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801